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AMENDMENTS TO LB 1085

(Amendments to E & R amendments, AM7211)

1                   1. Insert the following new sections:

2                   "Section 1.           Section 77-2602, Revised Statutes  
3 Supplement, 2001, is amended to read:

4                   77-2602. (1) Every person engaged in distributing or  
5 selling cigarettes at wholesale in this state shall pay to the Tax  
6 Commissioner of this state a special privilege tax. This shall be  
7 in addition to all other taxes. It shall be paid prior to or at  
8 the time of the sale, gift, or delivery to the retail dealer in the  
9 several amounts as follows: On each package of cigarettes  
10 containing not more than twenty cigarettes, ~~thirty-four~~ sixty-four  
11 cents per package; and on packages containing more than twenty  
12 cigarettes, the same tax as provided on packages containing not  
13 more than twenty cigarettes for the first twenty cigarettes in each  
14 package and a tax of one-twentieth of the tax on the first twenty  
15 cigarettes on each cigarette in excess of twenty cigarettes in each  
16 package. Commencing July 1, 1994, and continuing until July 1,  
17 ~~2009~~ 2002, the State Treasurer shall place the equivalent of  
18 twenty-one cents of such tax less three million dollars each fiscal  
19 year of proceeds of such tax in the General Fund. Commencing July  
20 1, 2002, and continuing until July 1, 2004, the State Treasurer  
21 shall place the equivalent of forty-nine cents of such tax less  
22 three million dollars each fiscal year of proceeds of such tax in  
23 the General Fund. Commencing July 1, 2004, and continuing until

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1 July 1, 2009, the State Treasurer shall place the equivalent of  
2 twenty-one cents of such tax less three million dollars each fiscal  
3 year of proceeds of such tax in the General Fund. Commencing July  
4 1, 2009, the State Treasurer shall place the equivalent of  
5 twenty-one cents of such tax in the General Fund. For purposes of  
6 this section, the equivalent of a specified number of cents of the  
7 tax shall mean that portion of the proceeds of the tax equal to the  
8 specified number divided by ~~thirty-four~~ sixty-four. The State  
9 Treasurer shall distribute the remaining proceeds of such tax in  
10 the following order:

11 (a) First, beginning July 1, 1980, the State Treasurer  
12 shall place the equivalent of one cent of such tax in the Nebraska  
13 Outdoor Recreation Development Cash Fund. For fiscal year  
14 distributions occurring after FY1998-99, the distribution under  
15 this subdivision shall not be less than the amount distributed  
16 under this subdivision for FY1997-98. Any money needed to increase  
17 the amount distributed under this subdivision to the FY1997-98  
18 amount shall reduce the ~~twenty-one-cent~~ distribution to the General  
19 Fund;

20 (b) Second, beginning July 1, 1993, the State Treasurer  
21 shall place the equivalent of three cents of such tax in the  
22 Department of Health and Human Services Finance and Support Cash  
23 Fund to carry out sections 81-637 to 81-640. For fiscal year  
24 distributions occurring after FY1998-99, the distribution under  
25 this subdivision shall not be less than the amount distributed  
26 under this subdivision for FY1997-98. Any money needed to increase  
27 the amount distributed under this subdivision to the FY1997-98

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1 amount shall reduce the ~~twenty one cent~~ distribution to the General  
2 Fund;

3 (c) Third, beginning July 1, 2001, and continuing until  
4 July 1, 2002, the State Treasurer shall place the equivalent of  
5 five cents of such tax in the Building Renewal Allocation Fund.  
6 Beginning July 1, 2002, and continuing until July 1, 2016, the  
7 State Treasurer shall place the equivalent of seven cents of such  
8 tax in the Building Renewal Allocation Fund. Beginning July 1,  
9 2016, and continuing until all the purposes of the Deferred  
10 Building Renewal Act have been fulfilled, the State Treasurer shall  
11 place the equivalent of five cents of such tax in the Building  
12 Renewal Allocation Fund. The Legislature shall appropriate each  
13 fiscal year all sums inuring to the fund, plus interest earnings  
14 for the Task Force for Building Renewal to be used to carry out its  
15 duties and to fulfill the purposes of the Deferred Building Renewal  
16 Act. Unexpended balances existing at the end of each fiscal year  
17 shall be, and are hereby, reappropriated. For fiscal year  
18 distributions occurring after FY1998-99, the distribution under  
19 this subdivision shall not be less than five-sevenths of the amount  
20 distributed under this subdivision for FY1997-98. Any money needed  
21 to increase the amount distributed under this subdivision to  
22 five-sevenths of the FY1997-98 amount shall reduce the  
23 ~~twenty one cent~~ distribution to the General Fund;

24 (d) Fourth, until July 1, 2002, the State Treasurer shall  
25 place the difference between the equivalent of thirteen cents of  
26 such tax and the sum of the amounts distributed pursuant to  
27 subdivisions (a) through (c) and (f) through (h) of this subsection

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1 in a special fund to be known as the Nebraska Capital Construction  
2 Fund. Beginning July 1, 2002, and continuing until July 1, 2004,  
3 the State Treasurer shall place the difference between the  
4 equivalent of fifteen cents of such tax and the sum of the amounts  
5 distributed pursuant to subdivisions (a) through (c) and (f)  
6 through (h) of this subsection in the Nebraska Capital Construction  
7 Fund. Beginning July 1, 2004, the State Treasurer shall place the  
8 difference between the equivalent of forty-three cents of such tax  
9 and the sum of the amounts distributed pursuant to subdivisions (a)  
10 through (c) and (f) through (i) of this subsection in the Nebraska  
11 Capital Construction Fund;

12 (e) Fifth, beginning July 1, 1994, and continuing until  
13 July 1, 2009, the State Treasurer shall place in the Municipal  
14 Infrastructure Redevelopment Fund the sum of three million dollars  
15 each fiscal year to carry out the Municipal Infrastructure  
16 Redevelopment Fund Act. The Legislature shall appropriate the sum  
17 of three million dollars each year for fiscal year 1994-95 through  
18 fiscal year 2008-09;

19 (f) Sixth, beginning July 1, 2001, the State Treasurer  
20 shall place the equivalent of two cents of such tax in the  
21 Information Technology Infrastructure Fund;

22 (g) Seventh, beginning July 1, 2001, and continuing until  
23 June 30, 2016, the State Treasurer shall place one million dollars  
24 each fiscal year in the City of the Primary Class Development Fund.  
25 If necessary, the State Treasurer shall reduce the distribution of  
26 tax proceeds to the General Fund pursuant to this subsection by  
27 such amount required to fulfill the one million dollars to be

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1 distributed pursuant to this subdivision; ~~and~~

2 (h) Eighth, beginning July 1, 2001, and continuing until  
3 June 30, 2016, the State Treasurer shall place one million five  
4 hundred thousand dollars each fiscal year in the City of the  
5 Metropolitan Class Development Fund. If necessary, the State  
6 Treasurer shall reduce the distribution of tax proceeds to the  
7 General Fund pursuant to this subsection by such amount required to  
8 fulfill the one million five hundred thousand dollars to be  
9 distributed pursuant to this subdivision; and

10 (i) Ninth, beginning July 1, 2004, and continuing until  
11 June 30, 2016, the State Treasurer shall place the equivalent of  
12 twenty-eight cents of such tax each fiscal year in the Nebraska  
13 Health Care Cash Fund. Beginning July 1, 2016, the State Treasurer  
14 shall place the equivalent of thirty cents of such tax each fiscal  
15 year in the Nebraska Health Care Cash Fund.

16 (2) The Legislature hereby finds and determines that the  
17 projects funded from the Municipal Infrastructure Redevelopment  
18 Fund and the Building Renewal Allocation Fund are of critical  
19 importance to the State of Nebraska. It is the intent of the  
20 Legislature that the allocations and appropriations made by the  
21 Legislature to such funds or, in the case of allocations for the  
22 Municipal Infrastructure Redevelopment Fund, to the particular  
23 municipality's account not be reduced until all contracts and  
24 securities relating to the construction and financing of the  
25 projects or portions of the projects funded from such funds or  
26 accounts of such funds are completed or paid or, in the case of the  
27 Municipal Infrastructure Redevelopment Fund, the earlier of such

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1 date or July 1, 2009, and that until such time any reductions in  
2 the cigarette tax rate made by the Legislature shall be  
3 simultaneously accompanied by equivalent reductions in the amount  
4 dedicated to the General Fund from cigarette tax revenue. Any  
5 provision made by the Legislature for distribution of the proceeds  
6 of the cigarette tax for projects or programs other than those to  
7 (a) the General Fund, (b) the Nebraska Outdoor Recreation  
8 Development Cash Fund, (c) the Department of Health and Human  
9 Services Finance and Support Cash Fund, (d) the Municipal  
10 Infrastructure Redevelopment Fund, (e) the Building Renewal  
11 Allocation Fund, (f) the Information Technology Infrastructure  
12 Fund, (g) the City of the Primary Class Development Fund, ~~and~~ (h)  
13 the City of the Metropolitan Class Development Fund, and (i) the  
14 Nebraska Health Care Cash Fund shall not be made a higher priority  
15 than or an equal priority to any of the programs or projects  
16 specified in subdivisions (a) through ~~(h)~~ (i) of this subsection.

17 Sec. 14. Section 77-4008, Reissue Revised Statutes of  
18 Nebraska, is amended to read:

19 77-4008. (1) Commencing on or after January 1, 1988, a  
20 tax is hereby imposed upon the first owner of tobacco products to  
21 be sold in this state. The tax shall be ~~fifteen~~ twenty percent of  
22 (a) the purchase price of such tobacco products paid by the first  
23 owner or (b) the price at which a first owner who made,  
24 manufactured, or fabricated the tobacco product sells the items to  
25 others. Such tax shall be in addition to all other taxes.

26 (2) Whenever any person who is licensed under section  
27 77-4009 purchases tobacco products from another person licensed

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1 under section 77-4009, the seller shall be liable for the payment  
2 of the tax.".

3 2. Renumber the remaining sections accordingly and  
4 correct the operative date section and the repealer so that the  
5 sections added by this amendment become operative on July 1, 2002.